



## Business Longevity Planning: Key Stepping Stones Overview



	ASSESS	PLAN	IMPROVE	ACHIEVE
1	<b>Obtain Current FMV</b> of Business and Commercial Real Estate.	<b>Create Goal Tree</b> with Critical Success Factors (CSFs) and Necessary Conditions Logic.	<b>Synchronize Production</b> to the internal Constraint's rate of Throughput. Set Investment and Operating Expense parameters.	<b>Utilize TOC and LEAN principles</b> to produce 3 years of increases in Sales, NOP, and ROI.
2	<b>Establish Owner Goals and State of Readiness</b> to engage in a business ownership transition; Determine financial independence level or gap size with Financial Planning Pro.	<b>Identify current Undesirable Effects</b> (Symptoms) and find the <b>Core Dilemma</b> blocking attainment of any of the identified Critical Success Factors.	<b>Increase Rate of Enterprise Value Creation:</b> Improve the Constraint's rate of <b>Throughput</b> , in relation to its rate of Operating Expenses.	<b>Adopt risk mitigation and asset protection</b> strategies to enhance attractiveness of investment and protect nest egg.
3	<b>Rank each Functional Link</b> in the Company, utilizing important Buyer/Investor Criteria, to determine overall enterprise strength and market attractiveness.	Focus improvement projects on the Core Dilemmas within the <b>Weakest Functional Links</b> that cause the most UDEs or prevent accomplishment of CSFs.	<b>Maintain sufficient growth capacity</b> in non-constraint resources to accomplish the annual goals of the Company.	Create ideal business <b>transition or exit plan</b> with key criteria, terms, and time frame. Consider all <b>options</b> and <b>tax</b> ramifications. Share with professional advisors to align efforts.
4	<b>Establish metrics and KPIs</b> that Owner and Key Team can use to measure progress toward Owner Goals and important market-based investment criteria.	<b>Identify the strategic internal Operational Constraint</b> whose pace will set the entire organization's rate of value creation.	<b>Review pricing strategies with Sales/Marketing Team</b> to maximize the internal Constraint's ability to produce Throughput in existing or new marketplaces.	Develop roster of <b>ideal business buyers</b> , <b>select and engage M&amp;A advisory team</b> to bring your business to market. Interview, compare fees, marketing approaches, and perform due diligence with referred clients.

5	<b>Create a Business SWOT Summary and Time Line</b> for Owner Goal Achievement.	<b>Prioritize Project List</b> by greatest rate of change impacts on TOC/LEAN metrics. Examine tax and cost reduction opportunities to fund some or all of the Longevity Planning processes.	<b>Align, Engage and Incentivize Key Team members</b> to focus on the relative rate of expected changes to T, I, and OE when making daily managerial decisions.	Prepare for <b>Due Diligence</b> ; <b>Update Business FMV</b> for realistic expectations; Use independent <b>Business Coach</b> to guide you through closing negotiations.
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